

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION**

IN RE:

EASTERN LIVESTOCK CO., LLC,
Debtor.

Case No. 10-93904-BHL-11
Chapter 11

**MOTION OF DINSMORE & SHOHL AND RECEIVER FOR
PERMISSION TO SEEK ALLOWANCE OF PRE-PETITION
ATTORNEY AND RECEIVER FEES AND REIMBURSEMENT
OF PRE-PETITION EXPENSES IN THE RECEIVERSHIP COURT**

State Court-Appointed Receiver, Elizabeth Lynch (the "Receiver") for Eastern Livestock Co., LLC (the "Debtor") and Dinsmore & Shohl, LLP ("D&S"), as counsel for the Receiver, hereby respectfully move this Court for an order permitting D&S and the Receiver to seek allowance from the state court in which the receivership action was brought (the "Receivership Court") of pre-petition receiver fees and expenses incurred by the Receiver and her employer, Development Specialists, Inc. ("DSI") and pre-petition attorney fees and expenses incurred by D&S to be paid out of a pre-petition IOLTA account (the "Motion"). In support of this Motion, D&S and the Receiver respectfully states as follows:

BACKGROUND

1. On November 10, 2010, the Receivership Court appointed the Receiver to serve as a receiver for the Debtor. The Receiver is and was at all times since her appointment, an employee of DSI. In order to facilitate the magnitude of responsibilities required to fully discharge the Receiver's duties, and to do so within the strict time constraints associated with the livestock industry, the Receiver utilized the services of additional personnel from DSI, as explicitly authorized by the Receivership Court. Additionally, the Receiver hired D&S as counsel to the Receiver.

2. In the period from November 10, 2010 to December 5, 2010, the Receiver, under counsel from D&S, and with the assistance of her employer DSI, served as receiver for Debtor. In

this same time period, funds totaling \$479,610.00 were transferred from the Debtor to D&S's IOLTA account (the "D&S IOLTA Account") as a retainer for services to be rendered by D&S, the Receiver, and her employer DSM.

3. On December 6, 2010, certain petitioning creditors filed this involuntary bankruptcy against the Debtor (the "Petition Date").

4. Pursuant to Orders of this court, the Receiver served as a custodian to the Debtor in these bankruptcy proceedings from the Petition Date until this Court's Order appointing a trustee on December 27, 2010 (the "Custodial Period").

5. On January 6, 2011, the Receiver filed in the Receivership Court: (a) Application by Receiver, Elizabeth M. Lynch, for Allowance of Attorney Fees and Reimbursement of Expenses Incurred, attached hereto as Exhibit A; and (b) Application by Elizabeth M. Lynch for Allowance of Attorney Fees and Reimbursement of Expenses Incurred by the Receiver, attached hereto as Exhibit B.

RELIEF REQUESTED

6. D&S and the Receiver respectfully request that this Court enter an Order allowing the Receiver to seek allowance from the Receivership Court of pre-petition attorney and receiver fees and reimbursement of expenses out of the D&S IOLTA Account.

7. The money in the D&S IOLTA Account was transferred pre-petition and thus not property of the bankruptcy estate. Therefore, D&S and the Receiver believe that bankruptcy court approval for the state court fee application actions to proceed is not necessary.

8. However, in an abundance of caution, and in light of the fact that an objection by a creditor in the bankruptcy proceedings was filed to the state court fee applications, D&S and the Receiver ask that this Court expressly permit the Receiver to continue pursuing its state court fee

applications for pre-petition attorney and receiver fees and expenses, or, if this Court wishes to, review for approval the fees and expenses set forth in Exhibits A and B.

9. As is evidenced by the Receivership Court fee applications, the Receiver is requesting \$267,118.66 in Receiver fees and expenses and \$147,451.01 in attorney fees for D&S, for a total of \$414,569.67 in fees and expenses. As noted above, there is a total of \$479,610.00 being held in the D&S IOLTA account. D&S and the Receiver therefore ask that the Receiver be permitted to continue with its application in the Receivership Court for these pre-petition amounts, and that the rest of the D&S IOLTA Account monies be applied to pay and reimburse post-petition attorney and receiver fees and expenses in accordance with the motion of the trustee filed concurrently herewith.

CONCLUSION

WHEREFORE, for the reasons set forth above, the D&S and the Receiver respectfully ask the Court to enter an order, substantially in the form attached hereto as Exhibit C, and granting such other relief as it deems just and proper.

Dated: February 9, 2011

Respectfully submitted,

DINSMORE & SHOHL LLP

/s/ Jeremy S. Rogers

Jeremy S. Rogers (IN # 24670 10)
1400 PNC Plaza
500 W. Jefferson St.
Louisville, KY 40202
Phone: (502) 540-2384

Kim Martin Lewis (OH #0043533)
Tim J. Robinson (OH #0046668)
1900 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202
Telephone: (513) 977-8200
Facsimile: (513) 977-8141
kim.lewis@dinslaw.com
tim.robinson@dinslaw.com

Counsel for Receiver

CERTIFICATE OF SERVICE

I hereby certify that on February 9, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

David L. Abt
davidabt@mwt.net

C. R. Bowles, Jr
crb@gdm.com

John Hunt Lovell
john@lovell-law.net

Mark A. Robinson
mrobinson@vhrlaw.com

Jesse Cook-Dubin
jcookdubin@vorys.com

Edward M King
tking@fbtlaw.com

Randall D. LaTour
rdlatour@vorys.com

John R. Carr, III
jrciii@acs-law.com

Bret S. Clement
bclement@acs-law.com

Daniel J. Donnellon
ddonnellon@ficlaw.com

Stephen A. Weigand
sweigand@ficlaw.com

John Frederick Massouh
john.massouh@sprouselaw.com

John W. Ames
jwa@gdm.com

Robert Hughes Foree
robertforee@bellsouth.net

Kim Martin Lewis
kim.lewis@dinslaw.com

Jeremy S Rogers
Jeremy.Rogers@dinslaw.com

Ivana B. Shallcross
ibs@gdm.com

Deborah Caruso
dcaruso@daleeke.com

Meredith R. Thomas
mthomas@daleeke.com

William Robert Meyer, II
rmeyer@stites.com

Allen Morris
amorris@stites.com

Charles R. Wharton
Charles.R.Wharton@usdoj.gov

James Bryan Johnston
bjtexas59@hotmail.com

James T. Young
james@rubin-levin.net

David L. LeBas
dlebas@namanhowell.com

Judy Hamilton Morse
judy.morse@crowedunlevy.com

John M. Thompson
john.thompson@crowedunlevy.com

Jessica E. Yates
jyates@swlaw.com

John Huffaker
john.huffaker@sprouselaw.com

Matthew J. Ochs
matt.ochs@moyewhite.com

Laura Day Delcotto
ldelcotto@dlgfirm.com

Kelly Greene McConnell
lisahughes@givenspursley.com

T. Kent Barber
kbarber@dlgfirm.com

Ross A. Plourde
ross.plourde@mcafeetaft.com

Jeffrey E. Ramsey
jramsey@hopperblackwell.com

Walter Scott Newbern
wsnewbern@msn.com

Kirk Crutcher
kcrutcher@mcs-law.com

Todd J. Johnston
tjohnston@mcjllp.com

I further certify that on February 9, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

David A. Domina
ddomina@dominalaw.com

/s/ Jeremy S. Rogers
Counsel for Receiver